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ABSTRACT

The relationship between a state's metro and nonmetro economic performance is a key consideration in determining whether a special rural development policy is appropriate for that state. This report compares the economic performance of metropolitan and nonmetropolitan areas in 49 states, 1979-86. On average, metropolitan areas enjoyed higher levels of growth in population, employment, real earnings, property income, and real per capita income. Both metro and nonmetro areas experienced declines in real earnings per worker, with larger percentage declines in nonmetro areas. Performance varied widely across individual states. Accordingly, each state was categorized as "strong" or "weak" (based on whether or not its real earnings growth for 1979-86 exceeded the national aggregate rate of 8.1%), and as "balanced" or "unbalanced" (based on whether the differential of its metro versus nonmetro earnings growth was more or less than 7 percentage points). Further consideration of special rural development programs appears particularly warranted in the 31 states with unbalanced economies. Especially strong candidates are the 11 states with unbalanced economies but strong metropolitan growth. Tables provide 1979 and 1986 data for each state on: population; employment; unemployment rates; earnings; earnings per worker; dividends, interest, and rent; transfer payments; and per capita income. An appendix briefly relates 1987 earnings data. The information and analysis is potentially useful for policymakers. (SV)

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State-Level Comparison of Metro and Nonmetro Economic Performance, 1979-86

John M. Redman
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Abstract

On average, the metropolitan economies of individual States exhibited better economic performance during the 1979-86 period than their nonmetro economies. There was wide variation across States, however. To highlight these differences, States are grouped into five performance categories based on the 1979-86 growth of real earnings within a State's metropolitan area, 1979-86 earnings growth within a State's nonmetropolitan area, and the degree of difference between each. This typology is offered as an aid to policymakers in determining whether a special rural development policy may be appropriate for individual States.

Keywords: metro economic performance, nonmetro economic performance, real earnings growth, State categorization scheme

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Summary

Economic performance of metropolitan and nonmetropolitan areas over the period 1979-86 are compared on a State-by-State basis. On average, metropolitan areas enjoyed higher levels of growth in population, employment, real earnings, property income, and real per capita income. Both metro and nonmetro areas experienced declines in real earnings per worker, however, with a larger percentage decline occurring in nonmetropolitan areas. Performance varied widely across individual States. To highlight these differences, States are grouped into five performance categories. These categories are based on the 1979-86 growth of real earnings within a State's metropolitan area, 1979-86 earnings growth within a State's nonmetropolitan area, and the degree of difference between each. The categories identify what are defined as "strong" State economies--those in which real earnings growth exceeded the 1979-86 national aggregate rate of 8.1 percent--and "weak" State economies in which real growth was less than 8.1 percent.

The categories also delineate "balanced" and "unbalanced" economies. Balanced economies are defined as those which had metropolitan/nonmetropolitan earnings growth differentials of less than 7 percentage points over the study period (an average of 1 percentage point per year). Unbalanced economies had differentials of greater than 7 percentage points. Thirty-one of the 48 States examined had unbalanced economies. In these States, further consideration of special rural development programs appears particularly merited. Especially strong candidates are the 11 States with unbalanced economies but strong metropolitan growth.

Data for 1987 became available shortly before this report went to press. A brief discussion of the effect of these data on the analysis is included in the appendix.

State-Level Comparison of Metro and Nonmetro Economic Performance, 1979-86

John M. Redman
Thomas D. Rowley

Introduction

In recent years, State governments have become lead actors in the field of economic development and will likely remain so in the foreseeable future. Many have already put in place aggressive, innovative efforts to create or retain employment opportunities for their residents. Others are actively engaged in planning new initiatives.

In many States, particular concern has been voiced about the disadvantaged status of nonmetro areas relative to their metro areas. It is frequently argued that nonmetro areas face qualitatively different types of conditions and problems than do metro areas.[1] To address explicitly this difference, some have proposed that a special rural development policy be incorporated into a State's general economic development effort.

The relationship between metro and nonmetro performance is obviously a key consideration in determining whether a distinctly rural development policy is appropriate. If nonmetro areas are performing as well as or better than metro areas, an economic development program that targets distressed areas, both metro and nonmetro, may be satisfactory. If, however, nonmetro performance is significantly and persistently poorer than metro performance, a distinctly rural development strategy may be appropriate to offset the nonmetro disadvantage.

Also relevant to this determination are the absolute levels of metro and nonmetro performance. Despite the large, long-term differences between metro and nonmetro performance, poor absolute metro performance may make it difficult to justify increased diversion of resources to rural development. Even if metro growth were strong and much faster than nonmetro growth, diversion might still prove unacceptable if absolute nonmetro growth is rapid.

In an effort to add to this discussion at the individual State level, the following data and typology were developed. It is hoped

[1]The terms "nonmetro" and "rural" are used interchangeably.

this information will prove useful to State and local policymakers as they grapple with rural development issues.

Objectives, Organization, and Data

This report has two specific objectives. The first is to present State-level data for the 1979-86 period on metro and nonmetro population, employment, and income. The second is to offer a descriptive categorization of individual States based on the relative economic performance of their metro and nonmetro areas.[2]

The report is divided into two sections. The first presents summary statistics on population, employment, unemployment, and income for the metro and nonmetro United States.[3] The second section presents the State categorization scheme. Individual State data are found in the appendix tables.

Data on population, employment, earnings, transfer payments, dividends, interest, and rent were drawn from county-level files provided to the Economic Research Service by the Bureau of Economic Analysis, U.S. Department of Commerce. Unemployment statistics are from the Bureau of Labor Statistics, U.S. Department of Labor. The Consumer Price Index was used to convert current income totals to constant 1977 dollars.

Summary Statistics

The 49-State summary statistics discussed in this section are displayed in table 1. Each variable is a commonly used indicator of an important dimension of performance. The mean values presented are unweighted State averages.

Population

During the 1979-86 period, both metro and nonmetro areas in most States experienced slow-to-moderate rates of population growth. The metro population in the average State increased by 9 percent over this 7-year period, with only three States losing metro population (Michigan, West Virginia, and Ohio).

The nonmetro population in the average State increased by 7 percent over the 1979-86 period. Seven States experienced decreases in nonmetro population (Iowa, Illinois, Indiana, Minnesota, Nebraska, New York, and West Virginia), though only Iowa and Illinois lost more than 1 percent of their nonmetro population.

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[2]Metro areas consist of those counties within a Metropolitan Statistical Area (MSA) as defined by the Bureau of the Census. Nonmetro areas consist of areas outside these MSA's.

[3]The study covers 49 States. New Jersey and the District of Columbia contain no nonmetro areas and are therefore excluded.

Table 1--Change in selected demographic and economic indicators: Metro and nonmetro portions of States, 1979-86

Item	Percentage change, 1979-86[1]	
	Metro	Nonmetro
	Percent	
Population	9.1	7.2
Employment	14.7	9.8
Earnings	8.5	.2
Earnings per worker	-4.8	-8.8
Dividends, interest, and rent	45.4	44.7
Transfer payments	28.8	28.9
Per capita income	5.7	3.0

[1]All figures presented are unweighted State averages.

Employment

For the study period, metro employment growth averaged 15 percent per State.[4] Wyoming and West Virginia were the only States to lose metro employment during the period. At the other extreme, five States (Alaska, Arizona, Florida, Georgia, and New Hampshire) had growth rates of 30 percent or more.

Nonmetro employment growth fared considerably worse. The average nonmetro growth rate for the States (10 percent) was 5 points below the metro rate. Seven States (Illinois, Iowa, Louisiana, Mississippi, Nebraska, North Dakota, and West Virginia) had absolute declines. Eight, however, enjoyed gains of more than 20 percent (Alaska, Arizona, Florida, Hawaii, Massachusetts, Nevada, New Hampshire, and Rhode Island) with three (Florida, Massachusetts, and Rhode Island) expanding employment more than 30 percent.

Unemployment

Between 1979 and 1986, the average metro unemployment rate across the 49 States was 7 percent. Three States had double-digit metro rates (Michigan, Alabama, and West Virginia).

The nonmetro average was 9 percent, two points higher than the metro rate. Sixteen States had levels in excess of 10 percent. The average difference between metro and nonmetro rates (nonmetro minus metro) was higher in 1986 (2.2 percentage points) than it was over the 1979-86 period as a whole (1.9 percentage points). Eleven States had 1986 metro/nonmetro differences that were more than 1 percentage point greater than their 7-year average. In contrast, only four (California, Maryland, Massachusetts, and Wyoming) had

[4]Employment is defined as total wage and salary employment plus proprietorships by place of work.

1986 differences at least 1 percentage point below their period averages. By the end of 1986, the post-1982 economic recovery had not reduced metro/nonmetro unemployment differentials despite generally lowering absolute levels of unemployment. In many States, the recovery was associated with significantly increased differentials.

Real Earnings

Earnings--the sum of wages, salaries, and proprietor income--grew 9 percent from 1979 to 1986 in the metro areas of the average State.[5] There was, however, a great deal of variance across States. On one hand, metro areas in 21 States had double-digit gains, with 6 States experiencing growth rates of 25 percent or more (Arizona, Florida, Georgia, New Hampshire, Vermont, and Virginia). On the other hand, 14 States experienced real earnings decline in their metro areas and 4 had double-digit losses (Iowa, Montana, West Virginia, and Wyoming).

The situation was far worse in nonmetro areas. Earnings growth in the average State was a very weak 0.2 percent, over 8 percentage points lower than in metro areas. Nonmetro areas in 29 States had declines, with 13 States experiencing double-digit declines. Twelve States, however, did enjoy growth rates above 10 percent.

Real Earnings Per Worker

Earnings per worker are defined as total real earnings divided by the total number of full- and part-time workers employed.[6] In general, if employment grows more rapidly than real earnings, earnings per worker decline; if real earnings grow faster than employment, earnings per worker increase.

Since the earnings data are adjusted for inflation, changes in earnings per worker basically reflect the combined influence of changes in real hourly compensation, the number of hours worked in the average job, and the relative starting wage/salary received in jobs created during the study period compared with the jobs already existing (that is, shift in the mix of jobs). For metro areas, the 49-State average showed a 5-percent decline in real earnings per worker over the 1979-86 period. This decline resulted from a lower average rate of earnings growth (12 percent) than employment growth (15 percent). Only 11 States maintained or increased levels of metro earnings per worker over the study period.

Nonmetro areas experienced an average decline of 9 percent per State in real earnings per worker, as average employment growth (10 percent) considerably outdistanced average earnings growth (0.2

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[5]Adjusted for place of residence to allow for income earned in a metro area by a nonmetro resident.

[6]In order to calculate the earnings per worker, earnings by place of employment (that is, not adjusted by place of residence) are used in this section.

percent). Only four States (Georgia, Maryland, North Carolina, and Rhode Island) were able to maintain per worker earnings levels in nonmetro areas between 1979 and 1986.

The difference in growth of per worker earnings between metro and nonmetro areas in the average State was 4 percentage points (-5 percent metro versus -9 percent nonmetro). However, States varied widely about this mean. In 12 States, change in metro earnings per worker was at least 7 percentage points higher than the nonmetro change. In contrast, 11 States had nonmetro levels that improved relative to those in metro areas, although just 3 (Delaware, Nevada, and Wyoming) had relative improvements of 3 percentage points or more.

It is interesting to compare the relative importance of changes in earnings per worker and changes in employment in explaining metro/nonmetro differentials in total 1979-86 earnings growth. This relation can be examined by comparing the metro/nonmetro differences in employment growth with those in the growth of earnings per worker. If one is considerably higher than the other, that component could be said to be primarily responsible for the change in the total earnings differential. If the differences are about equal, each component was of roughly the same significance.

In 28 States, metro/nonmetro employment differences were the dominant factor in explaining earnings differences. In 18 States, however, differences in the growth rate of earnings per worker were of greater importance in explaining total earnings growth differences. In three States, the two were roughly equal in importance. In general, then, the data suggest that both number of jobs and job quality (as measured by earnings per worker) are important to understanding relative metro/nonmetro performance in earnings growth.

Dividends, Interest, and Rent

The average growth rate in dividends, interest, and rent (DIR) is striking. For metro areas, average real growth per State was 45 percent. All States had growth of at least 20 percent. The nonmetro figures are equally impressive. Nonmetro DIR also grew an average of 45 percent per State. All States had growth of at least 15 percent.

Transfer Payments

Transfer payments also grew at very rapid rates during the period. Real payments to metro areas increased an average of 29 percent per State. The lowest State rate was 12 percent. Nonmetro transfer payments also averaged 29-percent growth per State. All States except Rhode Island had growth in excess of 14 percent.

Real Per Capita Income

Per capita income is the sum of earnings, dividends, interest and rent, and transfer payments divided by total population. During the study period, metro growth in real income per capita averaged

6 percent per State. There were large differences among States, however, as 13 States experienced real absolute declines while 14 States experienced double-digit gains.

In nonmetro areas, real income per capita growth averaged 3 percent per State. Twenty-four States experienced real decline. Eleven States, however, experienced gains of 13 percent or more.

The much smaller metro/nonmetro spread in per capita income growth (3 percentage points) compared with that in earnings growth (8 percentage points) is attributable primarily to the very rapid growth of unearned income (DIR and transfer payments) in both metro and nonmetro areas. Overall, unearned income grew about 34 percent in both metro and nonmetro areas in the average State between 1979 and 1986, over four times as quickly as total U.S. earnings (8.1 percent). This growth of unearned income accounted for over 60 percent of the absolute growth in total personal income for the average State during that period (compared with just 40 percent of the 1969-79 growth). The large absolute size of this increase and its proportional distribution between metro and nonmetro areas combined to offset much of the metro/nonmetro earnings differential.

In summary, metro areas, on average, significantly outperformed nonmetro areas on all the main economic performance measures: earnings growth, employment growth, growth in earnings per worker, and per capita income growth. Metro areas also experienced a higher average rate of population growth. The only measure for which nonmetro areas enjoyed comparable growth was the rate of unearned income growth. These 49-State averages should be interpreted with caution, however, since there were wide variations across States on all measures.

State Differences

In this section, we focus on a handful of variables in order to place States into useful categories.[7] Three criteria were chosen as the basis for categorization:

1. The 1979-86 metro/nonmetro difference in a State's total percentage growth in real earnings.

2. The ratio of the 1979-86 State metro percentage growth rate in real earnings to the 1979-86 national aggregate growth rate (8.1 percent).

3. The ratio of the 1979-86 State nonmetro percentage growth rate in real earnings to the 1979-86 national aggregate rate.

Criterion 1 measures the within-State difference between metro and nonmetro earnings growth. It is used to distinguish States with

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[7]1987 data became available shortly before this report went to press. A discussion of the effects of these data on the analysis is included in the appendix.

low to moderate differences in metro/nonmetro earnings growth from those with a high difference. A high difference was defined as one in which metro average annual real earnings growth exceeded nonmetro real growth by an average of more than 1 percentage point a year. This translates to a total difference over the 7-year study period of more than 7 percentage points. States in which the difference was less than 7 percentage points, or in which nonmetro growth outpaced metro growth, were placed in the low category. (In nine States, the nonmetro growth rate was higher than the metro growth rate.)

Criteria 2 and 3 compare metro and nonmetro earnings growth against a national benchmark. These criteria are useful not only in identifying absolute performance levels, but also in distinguishing among States with similar differences in metro/nonmetro earnings growth.

For purposes of this study, earnings was preferred to total personal income as the basic income measure. Personal income growth during this period was dominated, as discussed earlier, by the growth of unearned income. Much of this increase came from sources unrelated to local economic activity (such as Social Security, Medicare payments, and dividends). Earnings growth, therefore, more directly reflects changes in the levels of local employment and per worker earnings. It is consequently considered a better measure of underlying local economic vigor.

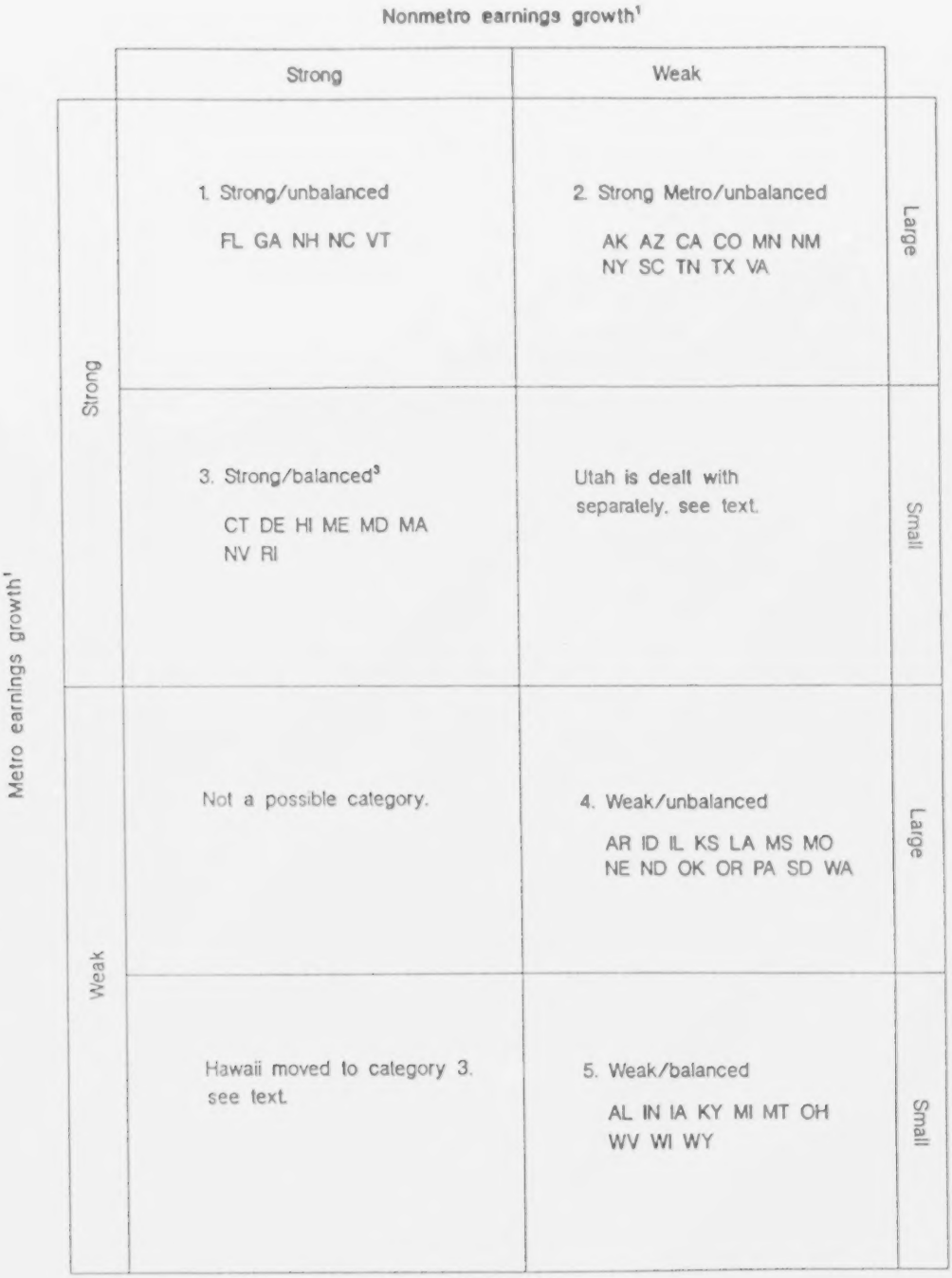
Application of the above criteria yielded seven possible categories or "cells" shown in figure 1. One cell contained only Hawaii and another only Utah. Upon further consideration, Hawaii was added to the seven States in category 3. Hawaii had not qualified for this category because its metro growth rate (7.9 percent) was less than the aggregate national rate (8.1 percent). However, its inclusion was felt to do little violence to the classification scheme since this shortfall was so small (0.2 percentage points). Figure 2 illustrates this point.

Utah, however, appeared to be a special case and was not easily placed in another category. Unlike Hawaii, all three performance measures differed significantly from the criteria threshold values. During the study period, the State experienced a metro/nonmetro earnings differential of less than 7 percentage points (3.9 percentage points), metro earnings growth greater than 8.1 percent (9.7), and nonmetro earnings growth less than 8.1 percent (5.8 percent). This was a unique combination of values which, unlike those for Hawaii, did not closely approximate the value mix of any other category (fig. 2). This noted, Utah is excluded from the discussion below in order to simplify the presentation.

Ultimately, then, the analysis yielded five main categories across 48 States as shown in figures 1, 2, and 3. Table 2 presents the measures of economic performance by category. For each of these five categories, the values displayed are the unweighted averages for States within that category.

Figure 1

Categorization of States by real earnings growth, 1979-86



1/ Real earnings growth 1979-86 was classified as "strong" if greater than 8.1% and "weak" if less than 8.1%.

2/ Metro-nonmetro difference in real earnings growth was classified as "small" if less than 7% and "large" if greater than 7%.

3/ HI, MA, and RI actually had high differences but this was due to nonmetro rates higher than metro rates.

Figure 2

Percentage earnings growth, 1979-86, by State and category

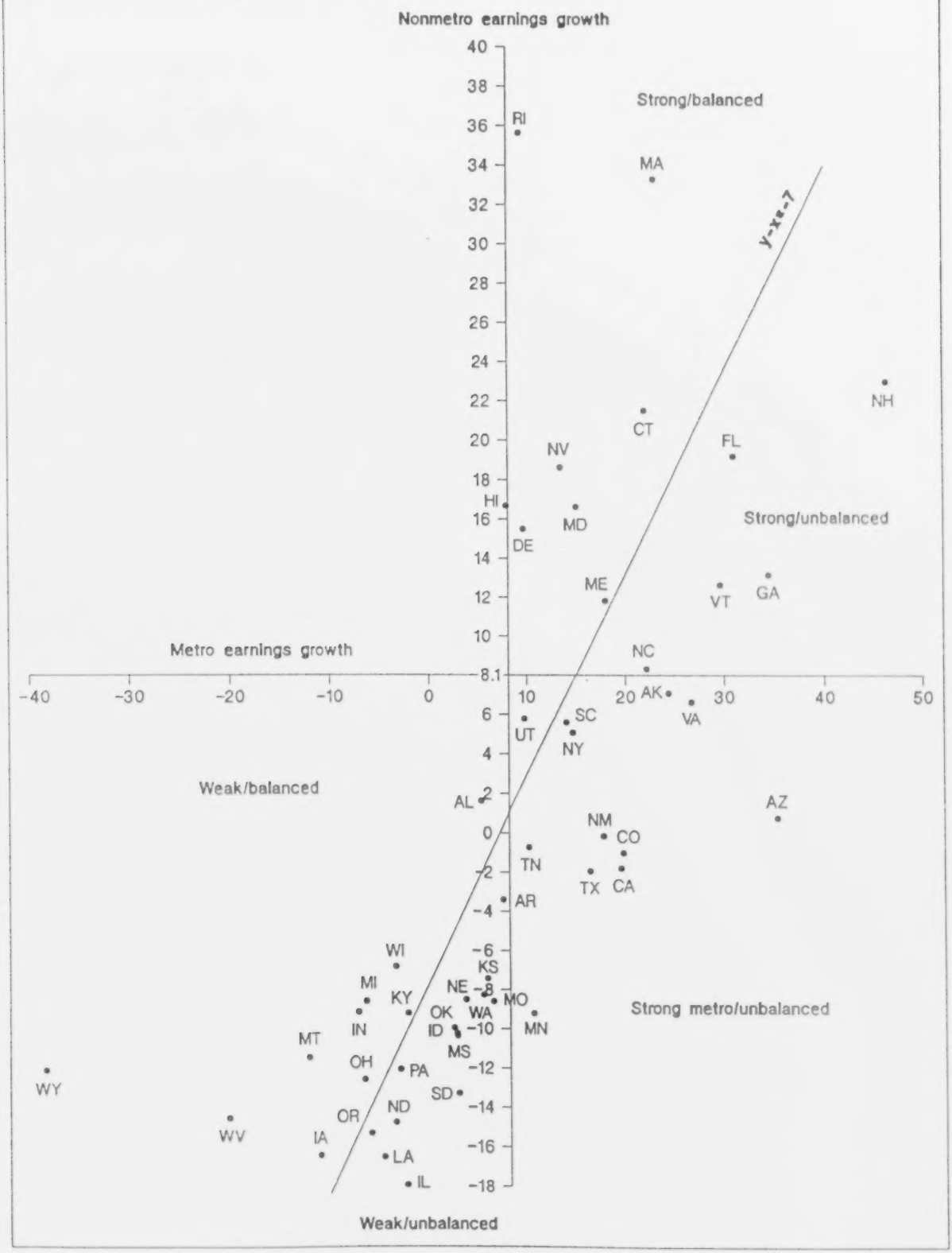


FIGURE 3: STATES BY RELATIVE METRO/NONMETRO EARNINGS PERFORMANCE, 1979–86

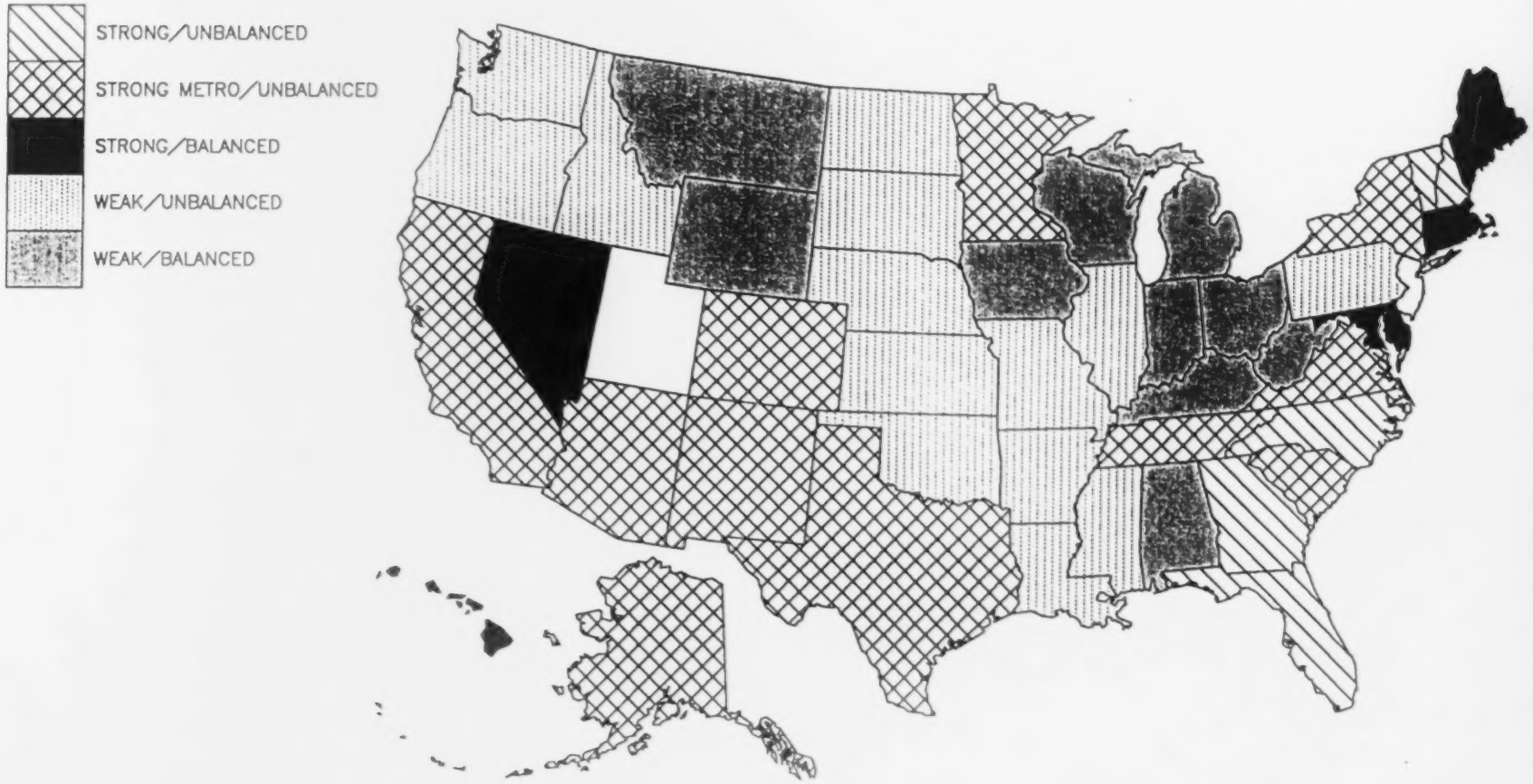


Table 2--Economic performance by category, 1979-86

Item[1 2]	Categories				
	1	2	3	4	5
	Percentage change 1979-86				
Population:					
Nonmetro	11.47	11.42	11.26	2.74	2.40
Metro	15.20	15.11	6.65	8.57	1.37
Difference	-3.73	-3.69	4.61	-5.83	1.03
Employment:					
Nonmetro	19.26	11.23	24.71	1.51	2.41
Metro	30.39	23.43	16.44	10.54	1.11
Difference	-11.13	-12.20	8.27	-9.03	1.30
Earnings:					
Nonmetro	15.25	.94	21.46	-11.20	-9.92
Metro	32.70	18.99	14.84	1.41	-10.28
Difference	-17.45	-18.06	6.63	-12.60	.35
Earnings per worker:					
Nonmetro	-3.82	-9.74	-1.24	-12.35	-11.92
Metro	.48	-2.09	-.18	-7.20	-11.23
Difference	-4.30	-7.64	-1.07	-5.16	-.69
Dividends, interest, and rent:					
Nonmetro	59.29	53.87	49.76	37.77	33.00
Metro	64.47	54.06	45.15	40.66	33.60
Difference	-5.17	-.19	4.61	-2.90	-.60
Transfer payments:					
Nonmetro	31.15	36.04	28.11	25.69	24.48
Metro	25.43	36.88	24.36	27.39	26.84
Difference	5.72	-.83	3.75	-1.70	-2.35
Per capita income:					
Nonmetro	12.04	1.50	14.45	-1.50	-1.84
Metro	18.03	8.73	12.96	.75	-2.24
Difference	-5.99	-7.23	1.49	-2.25	.40

[1]Average percentage change 1979-86 of States within category.
[2]Income figures reflect changes in real income as expressed in 1977 dollars.

Category 1 (strong/unbalanced) contains five States, three in the South (Georgia, Florida, and North Carolina) and two in the Northeast (New Hampshire and Vermont). These States had both metro and nonmetro real earnings growth above the national rate of 8.1 percent (strong) and high metro/nonmetro earnings differentials (unbalanced). Nonmetro growth (15 percent) was very high, but was

substantially lower than the metro growth rate, which averaged 33 percent, higher than the metro area average of any other category.

The 11 States in category 2 (strong metro/unbalanced) had metro sectors with real earnings growth rates above the aggregate national rate (8.1 percent), nonmetro sectors with growth rates below the national rate, and large metro/nonmetro differences in real earnings (greater than 7 percentage points) over the study period. Eight of the 11 States are located in the Southeast or Southwest. Metro areas in this category had average real earnings growth of 19 percent per State, more than double the 49-State metro average of 9 percent. Nonmetro growth averaged 1 percent, very close to the 49-State nonmetro average of 0.2 percent. The difference in earnings growth thus averaged 18 percentage points, with a range from 8 percentage points in South Carolina to 34 percentage points in Arizona.

The eight States in category 3 (strong/balanced), the group with the best overall relative performance, had either low absolute metro/nonmetro differences in earnings growth (Connecticut, Delaware, Maine, Maryland, and Nevada) or nonmetro areas which grew substantially faster than metro areas (Rhode Island, Hawaii, and Massachusetts). Furthermore, their metro and nonmetro growth rates were both greater than the national rate. Five of the eight States are located in the Northeast/Mid-Atlantic area. On average, the nonmetro growth rate considerably outpaced the metro rate for these eight States.

Aside from Pennsylvania, the States in category 4 (weak/unbalanced) form two distinct geographic subregions. The first is a solid belt of 10 States down the middle of the Nation from North Dakota to Louisiana. The second is the Pacific Northwest (Washington, Oregon, and Idaho). These States experienced high earnings differences along with metro and nonmetro growth rates significantly below the aggregate national rate. Put another way, growth in the metro areas of these States was weak, but their nonmetro growth was significantly weaker still.

Category 5 (weak/balanced) consists of 10 States with low earnings differences and both metro and nonmetro growth rates less than the national rate. All States except Alabama had declines in both metro and nonmetro sectors. The remaining nine States fall into two geographic areas: the Appalachian/Midwest region (West Virginia, Kentucky, Ohio, Indiana, Michigan, Wisconsin, and Iowa) and the Mountain region (Montana and Wyoming).

Comparing across the five categories, four points are particularly worth discussion. First, population growth differentials were systematically related to earnings growth differentials. Among States that had high metro/nonmetro earnings differentials (that is, those in the unbalanced categories 1, 2, and 3), average nonmetro population growth per State was nearly 5 percentage points less than metro growth. In only 4 of the 30 States in these three categories was nonmetro faster than metro population growth. On the other hand, average nonmetro population growth outpaced metro growth in categories 3 and 5 (categories with low earnings

growth in categories 3 and 5 (categories with low earnings differentials, the balanced categories). Only 4 of 18 States in these categories had more rapid metro than nonmetro growth. Across the 49 States studied, the correlation between the metro/nonmetro difference in earnings and the metro/nonmetro difference in population growth was 0.64, a strong association.

Second, high metro/nonmetro earnings differentials were associated with high metro/nonmetro differentials in the average 1980-86 unemployment rate, although the association was weaker overall and varied more across the State categories than that between population and earnings. The strongest association occurred in the strong metro/unbalanced category. Here, the average 1979-86 metro/nonmetro unemployment differential was 3.2 percentage points, over twice the average for the next highest category.

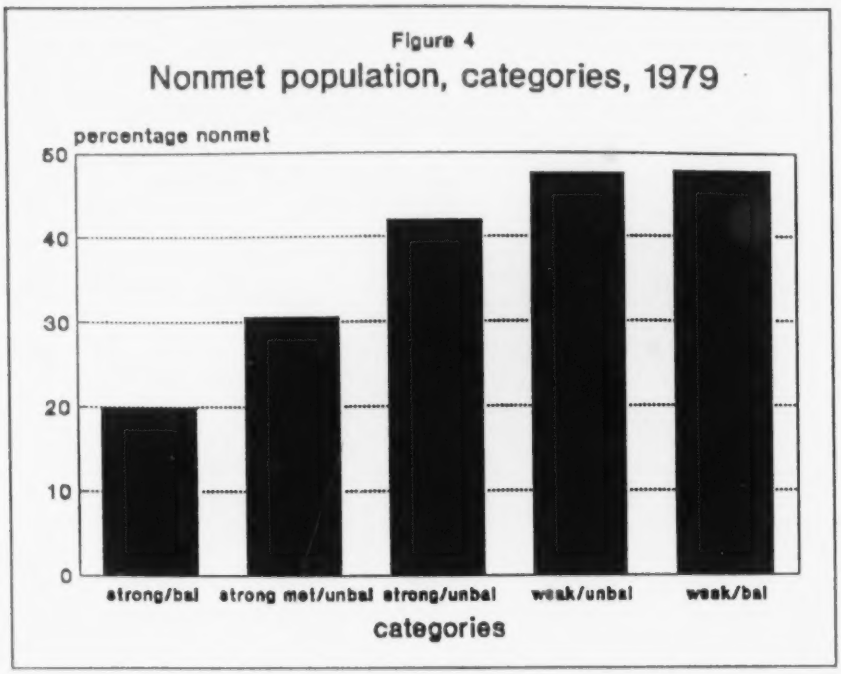
Only two strong metro/unbalanced States (Texas and New York) had persistent annual differences of less than 2 percentage points. Since these States all had high earnings differentials as well, the unemployment data further indicate that the economic performance of nonmetro areas in most strong metro/unbalanced States was not strongly influenced by or linked to the very rapid growth of their corresponding metro areas.

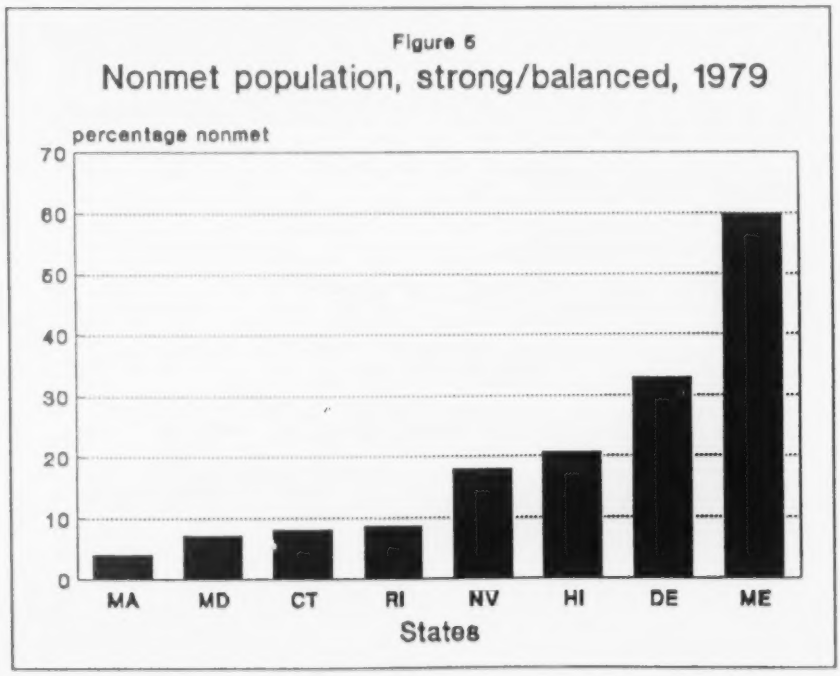
Low earnings differentials were also associated with low unemployment differentials in most of the 19 States in the strong/balanced and weak/balanced categories, those characterized by low earnings differentials. Of these 19 States, only 4 (Maryland, Kentucky, Ohio, and West Virginia) had unemployment differentials greater than 2 percentage points.

The strength of the earnings/unemployment association is weaker for the two remaining categories: the strong/unbalanced and strong/balanced. In the former, only one of the five States (North Carolina) had an unemployment differential greater than 2 percentage points despite high earnings differentials. In general, it would appear that relatively strong nonmetro growth in these States tended to moderate unemployment differentials.

In the weak/unbalanced category, 8 of the 14 States experienced high (greater than 2 percentage points) 1979-86 average unemployment differentials to accompany their high earnings differentials. The mean unemployment rate for this category was significantly decreased, however, by much lower differentials in the six remaining States, all of which have nonmetro areas heavily dependent on agriculture (Kansas, Missouri, Nebraska, Oklahoma, and North and South Dakota). These lower differentials may be due in part to the tendency of official unemployment statistics to understate the level of true labor distress in areas with high levels of farm proprietorships.

In these situations, high earnings differentials could exist side by side with low unemployment differentials if a decline in farm earnings did not result in farmers seeking alternative career opportunities.





Third, as shown in figure 4, States in the strong/balanced category, which had the best average nonmetro performance, were much more heavily urbanized on average than those in the other four groups. Of the eight States in the strong/balanced category, four (Massachusetts, Connecticut, Rhode Island, and Maryland) had less than 10 percent of their population in nonmetro counties; only Maine had more than a third (fig. 5). All but 3 (California, New

York, and Florida) of the remaining 40 States had more than 15 percent of their population in nonmetro areas. The average in the strong/balanced category (20 percent) was more than 10 percentage points below the next lowest category and 21 points below the average for all States outside the category. This association of heavy urbanization with generally small physical size, rapid metro and nonmetro growth, and (except for Maryland) low unemployment differentials suggests that nonmetro and metro areas in these States were strongly interdependent economically. It seems likely that this interdependence contributed to more rapid nonmetro growth although the above data themselves are not sufficient to establish that relationship.

Fourth, the data indicate that it has been most difficult in recent years for a State's nonmetro area to generate high rates of earnings growth absent correspondingly strong growth in the State's metro area. As can be seen in figure 2, Hawaii was the only State to achieve nonmetro earnings growth above the 1979-86 national aggregate rate while its metro growth rate remained below that rate. All other States with nonmetro growth above the national rate also had metro growth above that rate.

Above average metro growth was not sufficient, however, to stimulate strong nonmetro growth, as the experiences of the 11 strong/unbalanced States illustrate. This pattern may be due to a coincidence of economic factors that worked to the disadvantage of nonmetro relative to metro areas (for example, the sharp drop in energy and food prices over the period and increased foreign competition in lower wage/skill manufacturing industries). If such factors were to shift, a different pattern could, of course, emerge.

Conclusions

These data on relative metro/nonmetro performance help inform judgments regarding the appropriateness of a rural policy within individual States. While they are only one dimension of economic conditions, relative performance is considered a useful point of analytical departure.

Based on recent performance, the best case for a specific rural policy exists for the strong metro/unbalanced States. In these States, large differences in performance clearly exist and vibrant metro economies could provide a rapidly expanding resource base from which to draw financial and technical support for rural development.

The case for a special rural policy is less compelling for the 5 strong/unbalanced States and the 13 weak/unbalanced States. In the former, absolute nonmetro growth, despite lagging significantly behind metro growth, was still above the national average. Among the weak/unbalanced States, weak metro growth may make increased diversion of resources to rural development less appealing since these States do not have the luxury of expanding metro resource bases.

For States in both of these categories, however, it can nonetheless be argued that rural development policies are worthy of further consideration given the large metro/nonmetro differences in earnings growth and, in many instances, levels of unemployment/labor distress. This is particularly true if nonmetro growth is very concentrated geographically (for example, confined to more urbanized, nonmetro counties adjacent to major metropolitan centers as in Florida.)

The performance data reviewed do not, however, indicate a clear need for specific rural development initiatives in the strong/balanced States since nonmetro growth was strong and there was evidence of strong metro/nonmetro interdependence. In these areas, it may be sufficient to target distressed rural areas within the framework of the State's overall economic development effort.

Rural policies to minimize potential costs of rapid economic and demographic growth (that is, congestion, increased service costs, and loss of the agricultural resource and processing base) might also prove appropriate.

The experience of the weak/balanced States is more difficult to interpret since low metro/nonmetro earnings differentials could be due to a shared poor performance by interdependent or structurally similar metro and nonmetro economies or to a coincidence of poor parallel performances by independent, structurally different metro and nonmetro economic bases. Michigan, for example, may have experienced weak metro and nonmetro growth and low overall earnings differentials due to the separate influences of slumping commodity prices on nonmetro growth and foreign competition in the auto industry on metro growth. It will be necessary to resolve this issue before the appropriateness of rural development initiatives in these States can be adequately considered.

Appendix

1987 Information

Earnings data for 1987 became available shortly before this report went to press. Applying the same three criteria used in 1986 to the 1987 data, two States change categories.[8] First, Virginia moves from the strong metro/unbalanced category in 1986 to the strong/unbalanced category in 1987 due to exceptionally strong nonmetro growth during 1987. Virginia's 1987 nonmetro earnings growth was greater, in fact, than its nonmetro growth over the previous 7-year period. Second, Kentucky shifts from the weak/balanced to the weak/unbalanced category in 1987. This shift is due to an increase in the metro/nonmetro earnings differential from an annual average of just under 1 percentage point per year to just over 1 percentage point. In addition to these two changes, the pattern of Utah's relative metro/nonmetro performance over the 1979-87 period places it in the weak/balanced category. It had been left unclassified in 1986. Finally, Hawaii's performance pattern over the 1979-87 period became fully consistent with its strong/balanced classification as a consequence of very rapid 1987 metro growth.

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[8]The three criteria applied to the 1987 earnings data were: 1) whether the metro/nonmetro real earnings growth differential was greater or less than 8 percentage points, that is, an average annual difference in earnings growth of 1 percentage point a year; 2) whether metro real earnings growth was greater or less than the national aggregate real earnings growth rate of 11.39 percent; and 3) whether nonmetro real earnings growth was greater or less than 11.39 percent.

Appendix table 1--Population: Metro and nonmetro by State, 1979 and 1986

State	1979		1986		1979 to 1986	
	Metro	Nonmetro	Metro	Nonmetro	Metro	Nonmetro
	-Thousands-				Percent change	
Alabama	2,442.3	1,427.0	2,597.3	1,455.0	6.35	1.96
Alaska	178.8	220.2	235.0	298.6	31.43	35.60
Arizona	1,980.2	658.5	2,502.6	777.1	26.38	18.01
Arkansas	870.2	1,398.7	933.4	1,438.8	7.26	2.87
California	22,170.7	1,084.5	25,656.8	1,324.2	15.72	22.10
Colorado	2,300.0	549.8	2,664.5	602.2	15.85	9.53
Connecticut	2,852.1	247.9	2,929.7	259.0	2.72	4.48
Delaware	402.2	196.7	417.8	214.9	3.88	9.25
Florida	8,546.1	924.5	10,491.1	1,183.8	22.76	28.05
Georgia	3,349.4	2,042.1	3,921.8	2,182.5	17.09	6.88
Hawaii	753.4	196.6	816.7	245.6	8.40	24.92
Idaho	168.8	763.9	193.8	808.7	14.81	5.86
Illinois	9,341.7	2,080.9	9,520.3	2,032.9	1.91	-2.31
Indiana	3,709.8	1,764.9	3,743.6	1,760.0	0.91	-0.28
Iowa	1,217.3	1,699.3	1,221.6	1,629.2	0.35	-4.13
Kansas	1,140.3	1,207.6	1,248.1	1,212.3	9.45	0.39
Kentucky	1,676.0	1,967.6	1,694.8	2,033.1	1.12	3.33
Louisiana	2,841.6	1,297.4	3,110.5	1,390.8	9.46	7.20
Maine	451.7	673.3	467.4	706.2	3.48	4.89
Maryland	3,927.6	295.7	4,146.8	316.5	5.58	7.03
Massachussetts	5,521.0	225.3	5,578.4	253.5	1.04	12.52
Michigan	7,468.6	1,780.4	7,333.9	1,810.7	-1.80	1.70
Minnesota	2,588.6	1,449.5	2,771.5	1,442.4	7.07	-0.49
Mississippi	708.8	1,798.8	788.0	1,837.5	11.17	2.15
Missouri	3,215.0	1,674.2	3,335.8	1,730.2	3.76	3.34
Montana	192.5	596.6	199.5	619.3	3.64	3.80
Nebraska	707.2	856.8	749.7	848.1	6.01	-1.02
Nevada	628.6	136.7	794.1	169.1	26.33	23.70
New Hampshire	547.5	364.4	630.1	396.8	15.09	8.89
New Mexico	504.7	775.7	597.4	882.4	18.37	13.76
New York	15,934.6	1,699.4	16,081.9	1,690.2	0.92	-0.54
North Carolina	3,157.0	2,644.3	3,484.0	2,847.6	10.36	7.69
North Dakota	232.4	419.7	252.8	426.5	8.78	1.62
Ohio	8,528.4	2,270.4	8,475.2	2,277.3	-0.62	0.30
Oklahoma	1,685.6	1,284.5	1,935.0	1,370.6	14.80	6.70
Oregon	1,724.1	854.3	1,818.1	879.8	5.45	2.98
Pennsylvania	10,050.4	1,823.3	10,058.8	1,830.4	0.08	0.39
Rhode Island	874.5	82.1	890.2	84.8	1.80	3.29
South Carolina	1,838.9	1,248.1	2,032.7	1,342.6	10.54	7.57
South Dakota	106.8	582.2	122.7	585.3	14.89	0.53
Tennessee	2,936.5	1,597.0	3,129.0	1,673.9	6.56	4.82
Texas	11,032.6	2,855.1	13,472.1	3,210.0	22.11	12.43
Utah	1,094.0	322.2	1,281.9	383.4	17.18	18.99
Vermont	117.5	388.3	130.1	411.0	10.72	5.85
Virginia	3,720.4	1,604.4	4,137.5	1,649.7	11.21	2.82
Washington	3,225.0	788.0	3,614.8	847.7	12.09	7.58
West Virginia	713.4	1,225.9	701.7	1,217.1	-1.64	-0.72
Wisconsin	3,128.9	1,537.1	3,183.5	1,601.3	1.75	4.18
Wyoming	68.4	383.5	70.9	436.6	3.65	13.85

Appendix table 2--Employment: Metro and nonmetro by State, 1979 and 1986

State	1979		1986		1979 to 1986	
	Metro	Nonmetro	Metro	Nonmetro	Metro	Nonmetro
	Thousands				Percent change	
Alabama	1,146.2	573.8	1,256.8	603.3	9.65	5.14
Alaska	106.0	123.7	148.3	158.8	39.82	28.42
Arizona	969.3	252.0	1,389.6	303.3	43.37	20.37
Arkansas	446.3	576.6	497.1	613.9	11.40	6.47
California	11,739.8	491.3	14,149.8	559.2	20.53	13.84
Colorado	1,290.1	275.2	1,606.1	314.6	24.50	14.32
Connecticut	1,544.4	105.0	1,804.0	120.5	16.81	14.78
Delaware	214.8	91.3	253.6	109.3	18.04	19.68
Florida	4,012.1	356.1	5,495.7	470.2	36.98	32.05
Georgia	1,764.6	894.4	2,329.7	1,002.5	32.03	12.09
Hawaii	441.0	98.8	483.3	125.8	9.59	27.34
Idaho	100.7	364.4	111.5	365.9	10.76	0.40
Illinois	4,808.2	921.8	4,991.9	908.5	3.82	-1.44
Indiana	1,913.6	777.8	1,982.1	789.8	3.58	1.54
Iowa	690.2	851.1	693.6	817.0	0.49	-4.00
Kansas	641.1	640.0	736.7	653.1	14.90	2.04
Kentucky	859.7	792.4	923.5	824.5	7.42	4.05
Louisiana	1,378.2	490.4	1,454.7	486.3	5.56	-0.84
Maine	239.9	301.0	284.2	344.2	18.43	14.37
Maryland	1,904.8	138.3	2,252.5	163.0	18.25	17.85
Massachussetts	2,927.2	107.0	3,428.8	144.9	17.14	35.50
Michigan	3,552.2	652.2	3,647.5	689.4	2.69	5.71
Minnesota	1,505.6	686.0	1,714.4	698.1	13.87	1.77
Mississippi	348.1	758.6	382.6	745.0	9.91	-1.78
Missouri	1,803.8	741.3	2,008.5	804.3	11.35	8.50
Montana	104.8	289.2	108.0	299.4	3.07	3.52
Nebraska	423.6	444.6	469.7	429.3	10.88	-3.44
Nevada	379.9	81.2	470.4	103.7	23.81	27.83
New Hampshire	279.8	184.2	375.3	236.5	34.16	28.43
New Mexico	258.8	327.9	326.5	355.6	26.16	8.45
New York	7,747.1	680.7	8,675.6	738.1	11.99	8.42
North Carolina	1,786.9	1,225.7	2,148.7	1,314.4	20.24	7.23
North Dakota	137.5	212.6	151.9	209.3	10.43	-1.53
Ohio	4,282.5	955.2	4,429.3	961.0	3.43	0.61
Oklahoma	915.9	537.4	1,040.9	561.6	13.65	4.50
Oregon	932.7	399.5	1,002.5	408.8	7.48	2.33
Pennsylvania	4,888.3	724.9	5,054.9	725.5	3.41	0.08
Rhode Island	441.7	37.0	483.4	52.0	9.45	40.34
South Carolina	941.0	556.8	1,098.2	598.6	16.71	7.50
South Dakota	67.0	290.5	77.5	290.7	15.76	0.07
Tennessee	1,535.4	713.8	1,725.9	741.2	12.41	3.84
Texas	5,835.5	1,239.9	7,138.8	1,338.6	22.33	7.97
Utah	530.5	141.9	637.5	163.2	20.16	14.96
Vermont	66.1	193.8	84.9	225.8	28.54	16.49
Virginia	2,008.3	700.4	2,530.6	760.5	26.01	8.58
Washington	1,665.9	372.8	1,969.7	394.1	18.24	5.73
West Virginia	349.5	437.7	317.1	419.8	-9.27	-4.08
Wisconsin	1,699.5	730.9	1,788.0	767.0	5.21	4.94
Wyoming	45.4	216.0	38.5	230.4	-15.16	6.69

Appendix table 3--Unemployment rates: Metro and nonmetro by State, 1980 and 1986

State	1980		1986		1980 to 1986	
	Metro	Nonmetro	Metro	Nonmetro	Metro	Nonmetro
	Percent				Average percent	
Alabama	8.43	9.41	8.98	11.42	10.46	12.13
Alaska	7.39	11.36	8.35	13.17	7.51	12.16
Arizona	5.89	9.75	5.61	12.64	5.93	12.34
Arkansas	6.64	8.28	6.97	10.08	7.64	9.95
California	6.63	11.33	6.50	10.91	7.69	13.28
Colorado	5.75	6.35	6.92	9.96	5.95	8.24
Connecticut	5.73	7.91	3.74	4.39	5.34	6.96
Delaware	7.48	8.23	4.42	4.11	6.75	7.08
Florida	5.74	7.20	5.63	6.78	6.63	8.41
Georgia	5.95	7.20	5.22	7.32	6.02	7.79
Hawaii	4.55	5.64	4.39	6.33	5.17	7.14
Idaho	6.34	8.35	5.88	9.43	6.36	8.97
Illinois	7.98	9.58	7.55	10.98	9.00	11.35
Indiana	9.23	10.37	6.40	7.49	9.07	10.16
Iowa	6.04	5.50	6.84	7.17	7.60	7.13
Kansas	4.97	3.97	4.74	6.19	5.40	5.10
Kentucky	6.95	9.03	7.35	11.24	8.16	10.90
Louisiana	6.14	8.27	11.72	16.90	9.36	12.58
Maine	6.87	8.30	4.50	5.96	6.17	7.69
Maryland	6.27	10.63	4.34	6.11	6.03	9.23
Massachussetts	5.55	7.33	3.84	3.81	5.58	6.59
Michigan	12.34	12.88	8.17	11.45	11.67	13.65
Minnesota	5.19	7.37	4.55	7.14	5.72	7.93
Mississippi	6.33	8.03	8.48	13.22	8.36	11.19
Missouri	7.14	7.43	5.57	7.32	7.30	8.53
Montana	5.57	6.09	7.66	8.25	7.05	7.82
Nebraska	4.56	3.63	4.56	5.52	4.95	5.03
Nevada	6.36	5.88	5.94	6.35	7.86	8.14
New Hampshire	4.77	4.49	3.11	2.43	4.83	4.68
New Mexico	8.09	7.10	6.55	11.35	7.61	9.28
New York	7.40	8.33	6.15	7.42	7.36	8.54
North Carolina	5.71	7.63	4.49	6.48	5.78	8.41
North Dakota	4.99	4.93	4.75	7.38	5.00	5.93
Ohio	8.06	9.65	7.66	10.04	9.45	11.55
Oklahoma	4.51	5.29	7.33	9.63	5.90	7.47
Oregon	7.25	10.51	7.65	10.28	8.74	11.52
Pennsylvania	7.51	9.72	6.54	8.75	8.60	11.26
Rhode Island	7.30	5.92	4.19	3.51	6.98	5.24
South Carolina	6.04	8.22	4.96	8.30	6.93	9.77
South Dakota	4.66	4.84	4.26	5.01	4.48	5.17
Tennessee	6.13	9.63	6.50	11.18	7.68	12.24
Texas	5.22	5.21	8.68	9.90	6.71	6.89
Utah	6.27	6.40	5.51	7.70	6.68	7.76
Vermont	5.21	6.71	3.62	5.20	4.39	6.24
Virginia	4.33	6.61	4.03	7.72	4.76	8.42
Washington	7.27	10.50	7.60	11.05	8.86	12.34
West Virginia	8.62	9.90	9.54	13.31	11.22	14.39
Wisconsin	6.85	7.75	6.49	8.22	7.83	9.09
Wyoming	3.01	3.99	11.32	8.79	6.84	6.32

Appendix table 4--Earnings: Metro and nonmetro by State, 1979 and 1986

State	1979		1986		1979 to 1986	
	Metro	Nonmetro	Metro	Nonmetro	Metro	Nonmetro
	Millions of 1977 dollars				Percent change	
Alabama	11,549	5,396	12,157	5,484	5.26	1.62
Alaska	1,706	1,836	2,122	1,965	24.37	7.06
Arizona	10,439	2,601	14,116	2,620	35.22	0.77
Arkansas	4,198	5,096	4,513	4,923	7.50	-3.41
California	142,334	5,478	170,093	5,380	19.50	-1.79
Colorado	14,229	2,695	17,032	2,668	19.70	-1.00
Connecticut	18,786	1,457	22,922	1,770	22.02	21.51
Delaware	2,607	835	2,859	965	9.67	15.50
Florida	39,646	3,387	51,929	4,038	30.98	19.20
Georgia	18,258	7,800	24,540	8,825	34.41	13.14
Hawaii	4,635	950	5,003	1,108	7.94	16.69
Idaho	1,076	3,431	1,101	3,089	2.35	-9.97
Illinois	61,036	10,507	59,592	8,621	-2.37	-17.94
Indiana	21,640	8,689	20,083	7,894	-7.20	-9.15
Iowa	7,366	8,582	6,548	7,175	-11.12	-16.40
Kansas	7,381	6,066	7,809	5,615	5.81	-7.44
Kentucky	8,995	7,649	8,794	6,944	-2.23	-9.22
Louisiana	15,226	4,953	14,517	4,136	-4.66	-16.51
Maine	2,079	2,715	2,453	3,036	18.00	11.82
Maryland	24,395	1,233	28,073	1,463	15.08	18.63
Massachussetts	30,882	1,065	38,008	1,419	23.08	33.29
Michigan	48,086	7,740	45,005	7,075	-6.41	-8.59
Minnesota	16,687	6,492	18,451	5,896	10.57	-9.18
Mississippi	3,422	6,581	3,513	5,905	2.64	-10.27
Missouri	18,802	6,597	20,008	6,030	6.42	-8.59
Montana	1,084	2,673	950	2,368	-12.30	-11.42
Nebraska	4,181	4,251	4,330	3,888	3.56	-8.53
Nevada	4,271	782	4,847	927	13.49	18.62
New Hampshire	3,141	1,759	4,597	2,163	46.35	22.98
New Mexico	2,499	3,382	2,942	3,376	17.73	-0.15
New York	89,244	6,721	102,325	7,062	14.66	5.06
North Carolina	16,441	10,509	20,082	11,383	22.15	8.31
North Dakota	1,314	2,002	1,268	1,707	-3.50	-14.75
Ohio	49,484	10,935	46,217	9,561	-6.60	-12.56
Oklahoma	9,838	5,431	10,102	4,867	2.68	-10.38
Oregon	10,086	4,175	9,485	3,536	-5.96	-15.32
Pennsylvania	55,444	8,249	53,768	7,253	-3.02	-12.07
Rhode Island	4,253	389	4,654	527	9.43	35.64
South Carolina	8,735	4,792	9,956	5,061	13.98	5.60
South Dakota	654	2,697	673	2,338	2.84	-13.30
Tennessee	14,867	6,117	16,376	6,074	10.15	-0.71
Texas	66,197	12,590	77,044	12,349	16.39	-1.92
Utah	5,378	1,397	5,901	1,478	9.73	5.79
Vermont	626	1,695	811	1,909	29.62	12.63
Virginia	22,201	6,648	28,124	7,087	26.68	6.61
Washington	20,332	4,033	21,428	3,699	5.39	-8.27
West Virginia	3,676	4,638	2,933	3,964	-20.21	-14.53
Wisconsin	18,807	7,299	18,162	6,800	-3.43	-6.84
Wyoming	596	2,427	366	2,133	-38.53	-12.13

Appendix table 5--Earnings per worker: Metro and nonmetro by State, 1979 and 1986

State	1979		1986		1979 to 1986	
	Metro	Nonmetro	Metro	Nonmetro	Metro	Nonmetro
	Thousands of 1977 dollars				Percent change	
Alabama	10.87	8.98	10.44	8.71	-3.93	-2.99
Alaska	17.62	17.40	15.72	14.85	-10.78	-14.64
Arizona	11.33	11.14	10.76	9.29	-5.04	-16.64
Arkansas	10.29	9.04	10.07	8.31	-2.19	-8.05
California	12.79	11.35	12.77	9.84	-0.23	-13.32
Colorado	11.72	9.85	11.24	8.38	-4.04	-14.86
Connecticut	12.35	10.32	13.02	10.31	5.36	-0.05
Delaware	13.92	9.44	12.92	9.13	-7.17	-3.22
Florida	10.43	9.39	10.05	8.30	-3.62	-11.66
Georgia	11.15	8.64	11.43	8.82	2.55	2.01
Hawaii	11.13	10.15	11.08	9.48	-0.50	-6.66
Idaho	11.31	9.83	10.55	8.87	-6.69	-9.78
Illinois	13.54	11.01	12.88	9.23	-4.86	-16.17
Indiana	12.34	10.14	11.05	9.19	-10.50	-9.35
Iowa	11.74	10.13	10.27	8.78	-12.47	-13.25
Kansas	11.63	9.55	11.10	8.66	-4.59	-9.35
Kentucky	11.32	9.70	10.26	8.26	-9.35	-14.85
Louisiana	11.83	10.42	10.76	8.87	-9.01	-14.81
Maine	9.53	9.19	9.75	8.91	2.27	-3.04
Maryland	11.51	8.71	11.51	8.97	0.03	2.95
Massachussetts	11.28	8.82	12.05	8.79	6.83	-0.45
Michigan	14.61	10.17	13.44	8.94	-7.96	-12.12
Minnesota	12.03	9.56	11.82	8.45	-1.74	-11.60
Mississippi	10.19	8.80	9.77	8.01	-4.13	-8.96
Missouri	11.98	8.51	11.51	7.13	-3.90	-16.31
Montana	10.97	9.75	9.41	8.25	-14.22	-15.37
Nebraska	11.11	9.70	10.45	9.18	-5.90	-5.36
Nevada	11.89	10.66	10.87	10.37	-8.60	-2.68
New Hampshire	10.19	9.50	11.04	9.30	8.31	-2.06
New Mexico	10.44	10.67	10.14	9.49	-2.88	-11.11
New York	13.03	9.57	13.72	9.20	5.32	-3.85
North Carolina	10.18	8.35	10.47	8.45	2.83	1.19
North Dakota	10.76	9.94	9.52	8.56	-11.54	-13.92
Ohio	12.62	10.71	11.51	9.40	-8.82	-12.18
Oklahoma	11.55	9.91	10.54	8.56	-8.74	-13.64
Oregon	11.67	10.85	10.28	9.06	-11.90	-16.52
Pennsylvania	12.25	10.69	11.51	9.51	-6.01	-11.07
Rhode Island	10.11	10.36	10.14	10.69	0.37	3.19
South Carolina	9.91	8.49	9.72	8.36	-1.92	-1.47
South Dakota	11.05	9.54	9.82	8.28	-11.13	-13.22
Tennessee	10.63	8.71	10.52	8.18	-1.06	-6.10
Texas	12.13	9.82	11.66	8.93	-3.89	-9.09
Utah	10.76	9.98	9.86	9.20	-8.31	-7.82
Vermont	10.83	8.85	10.95	8.44	1.10	-4.59
Virginia	10.98	9.07	11.34	8.67	3.22	-4.43
Washington	12.67	11.25	11.38	9.47	-10.19	-15.81
West Virginia	12.24	10.78	10.82	9.61	-11.63	-10.87
Wisconsin	11.84	9.50	10.83	8.49	-8.49	-10.65
Wyoming	13.83	11.92	10.38	9.82	-24.95	-17.55

Appendix table 6--Dividends, interest, and rent: Metro and nonmetro by State, 1979 and 1986

State	1979		1986		1979 to 1986	
	Metro	Nonmetro	Metro	Nonmetro	Metro	Nonmetro
	- - - - - -Millions of 1977 dollars- - - -				Percent change	
Alabama	1,554	635	2,314	981	48.92	54.54
Alaska	158	150	273	273	72.88	82.23
Arizona	2,405	431	3,762	706	56.44	63.72
Arkansas	598	978	868	1,423	45.09	45.44
California	28,480	1,218	40,711	1,731	42.95	42.18
Colorado	2,481	627	3,705	858	49.35	36.74
Connecticut	4,159	306	5,737	440	37.95	43.68
Delaware	457	143	676	227	47.84	59.12
Florida	13,402	1,242	20,815	2,276	55.31	83.32
Georgia	2,478	1,167	4,305	1,863	73.72	59.71
Hawaii	788	210	1,013	282	28.52	34.25
Idaho	174	642	241	814	37.93	26.74
Illinois	11,098	2,317	14,527	2,972	30.90	28.30
Indiana	3,303	1,612	4,367	2,002	32.22	24.18
Iowa	1,294	2,272	1,585	2,613	22.51	15.02
Kansas	1,209	1,369	1,752	1,849	44.85	35.06
Kentucky	1,363	1,062	1,985	1,526	45.68	43.71
Louisiana	2,156	697	3,291	1,091	52.67	56.39
Maine	374	516	557	768	48.78	48.99
Maryland	3,925	283	6,061	443	54.43	56.48
Massachussetts	6,038	397	8,925	639	47.81	61.20
Michigan	7,146	1,478	9,379	1,925	31.26	30.27
Minnesota	2,662	1,508	3,789	2,000	42.35	32.64
Mississippi	399	841	614	1,265	54.06	50.40
Missouri	3,584	1,504	5,074	2,092	41.59	39.07
Montana	200	666	260	806	30.43	21.01
Nebraska	687	1,099	910	1,331	32.34	21.13
Nevada	727	168	1,109	249	52.51	48.15
New Hampshire	502	424	850	661	69.29	55.73
New Mexico	412	533	680	841	64.97	57.61
New York	21,248	1,332	28,017	1,847	31.86	38.63
North Carolina	2,191	1,479	3,652	2,318	66.70	56.78
North Dakota	221	472	300	650	35.78	37.52
Ohio	8,172	1,770	10,770	2,326	31.78	31.43
Oklahoma	1,552	1,018	2,270	1,603	46.25	57.40
Oregon	1,980	882	2,517	1,085	27.10	22.91
Pennsylvania	9,781	1,273	13,976	1,906	42.90	49.70
Rhode Island	838	87	1,201	128	43.34	46.18
South Carolina	1,034	643	1,704	1,068	64.78	66.04
South Dakota	105	583	142	723	35.88	24.01
Tennessee	2,122	845	3,118	1,262	46.94	49.33
Texas	10,039	2,604	15,630	4,221	55.69	62.13
Utah	743	200	1,058	291	42.40	45.53
Vermont	97	386	153	544	57.32	40.92
Virginia	3,526	1,190	5,871	1,919	66.50	61.31
Washington	3,490	902	4,953	1,214	41.94	34.67
West Virginia	550	620	750	914	36.37	47.42
Wisconsin	3,181	1,421	4,357	1,973	36.95	38.84
Wyoming	87	415	104	513	19.86	23.62

Appendix table 7--Transfer payments: Metro and nonmetro by State, 1979 and 1986

State	1979		1986		1979 to 1986	
	Metro	Nonmetro	Metro	Nonmetro	Metro	Nonmetro
	- - - - Millions of 1977 Dollars - - - - - -				Percent change	
Alabama	2,363	1,319	2,863	1,549	21.18	17.46
Alaska	134	208	275	392	104.66	89.08
Arizona	1,858	586	2,650	870	42.66	48.59
Arkansas	819	1,466	997	1,757	21.77	19.81
California	25,469	1,341	31,926	1,845	25.35	37.55
Colorado	1,963	482	2,600	642	32.42	33.07
Connecticut	2,806	228	3,481	292	24.05	28.29
Delaware	357	193	434	251	21.47	29.66
Florida	10,152	1,090	13,717	1,647	35.11	51.05
Georgia	2,769	1,772	3,555	2,297	28.37	29.65
Hawaii	750	205	928	274	23.71	33.25
Idaho	143	619	188	784	31.80	26.64
Illinois	9,154	2,091	10,920	2,544	19.29	21.68
Indiana	3,014	1,457	3,811	1,802	26.45	23.68
Iowa	1,078	1,542	1,309	1,839	21.42	19.22
Kansas	990	1,178	1,256	1,424	26.86	20.88
Kentucky	1,473	1,922	1,802	2,310	22.31	20.17
Louisiana	2,307	1,155	3,215	1,598	39.39	38.29
Maine	492	730	582	888	18.34	21.73
Maryland	3,940	291	5,162	386	31.03	32.74
Massachussetts	6,597	324	7,528	425	14.11	31.26
Michigan	7,541	1,928	9,112	2,348	20.84	21.82
Minnesota	2,343	1,407	2,975	1,812	26.98	28.77
Mississippi	587	1,651	750	2,024	27.72	22.60
Missouri	2,980	1,709	3,633	2,135	21.93	24.92
Montana	172	571	225	741	30.76	29.78
Nebraska	605	739	755	909	24.89	22.88
Nevada	609	137	902	190	48.13	38.54
New Hampshire	460	348	564	435	22.44	24.87
New Mexico	475	673	630	877	32.53	30.34
New York	21,260	1,837	25,332	2,233	19.15	21.56
North Carolina	2,456	2,263	3,159	2,936	28.61	29.75
North Dakota	173	378	237	508	37.26	34.18
Ohio	8,342	2,045	10,976	2,721	31.57	33.03
Oklahoma	1,535	1,377	1,963	1,706	27.85	23.89
Oregon	1,754	869	2,178	1,115	24.17	28.27
Pennsylvania	12,240	2,164	14,215	2,518	16.14	16.36
Rhode Island	1,072	104	1,222	114	14.01	9.38
South Carolina	1,484	1,063	1,916	1,356	29.15	27.56
South Dakota	86	512	112	631	30.06	23.36
Tennessee	2,584	1,434	3,258	1,758	26.07	22.57
Texas	8,218	2,750	11,455	3,660	39.39	33.09
Utah	798	240	1,063	324	33.16	34.86
Vermont	99	384	111	463	12.61	20.41
Virginia	3,681	1,479	4,687	1,839	27.32	24.31
Washington	3,322	881	4,461	1,197	34.27	35.88
West Virginia	747	1,458	928	1,671	24.17	14.58
Wisconsin	3,044	1,581	3,749	1,929	23.14	22.02
Wyoming	44	281	65	402	46.50	43.07

Appendix table 8--Per capita income: Metro and nonmetro by State, 1979 and 1986

State	1979		1986		1979 to 1986	
	Metro	Nonmetro	Metro	Nonmetro	Metro	Nonmetro
	Thousands of 1977 dollars				Percent change	
Alabama	6.33	5.15	6.67	5.51	5.39	6.93
Alaska	11.18	9.96	11.36	8.81	1.61	-11.55
Arizona	7.42	5.49	8.20	5.40	10.48	-1.69
Arkansas	6.45	5.39	6.83	5.63	5.89	4.45
California	8.85	7.41	9.46	6.76	6.86	-8.74
Colorado	8.12	6.92	8.76	6.92	7.88	0.01
Connecticut	9.03	8.03	10.97	9.66	21.51	20.31
Delaware	8.50	5.96	9.50	6.71	11.67	12.73
Florida	7.40	6.19	8.24	6.72	11.44	8.70
Georgia	7.02	5.26	8.26	5.95	17.72	13.14
Hawaii	8.19	6.94	8.50	6.77	3.77	-2.43
Idaho	8.25	6.14	7.89	5.79	-4.34	-5.65
Illinois	8.70	7.17	8.93	6.95	2.65	-2.97
Indiana	7.54	6.66	7.55	6.65	0.18	-0.24
Iowa	8.00	7.30	7.73	7.14	-3.39	-2.17
Kansas	8.40	7.13	8.67	7.33	3.16	2.79
Kentucky	7.06	5.40	7.42	5.30	5.16	-1.89
Louisiana	6.93	5.25	6.76	4.91	-2.45	-6.47
Maine	6.52	5.88	7.68	6.64	17.87	12.97
Maryland	8.21	6.11	9.48	7.24	15.37	18.49
Massachussetts	7.88	7.92	9.76	9.80	23.86	23.65
Michigan	8.40	6.26	8.66	6.27	3.01	0.12
Minnesota	8.38	6.49	9.10	6.73	8.57	3.70
Mississippi	6.22	5.04	6.19	5.00	-0.48	-0.80
Missouri	7.89	5.86	8.61	5.93	9.11	1.17
Montana	7.56	6.55	7.20	6.32	-4.80	-3.55
Nebraska	7.74	7.11	8.00	7.23	3.32	1.67
Nevada	8.92	7.95	8.64	8.08	-3.18	1.62
New Hampshire	7.50	6.95	9.54	8.21	27.28	18.22
New Mexico	6.71	5.91	7.12	5.77	6.08	-2.39
New York	8.27	5.82	9.68	6.59	17.08	13.26
North Carolina	6.68	5.39	7.72	5.84	15.56	8.41
North Dakota	7.35	6.80	7.14	6.72	-2.83	-1.21
Ohio	7.74	6.50	8.02	6.41	3.62	-1.26
Oklahoma	7.67	6.09	7.41	5.97	-3.39	-2.09
Oregon	8.02	6.94	7.80	6.52	-2.71	-6.04
Pennsylvania	7.71	6.41	8.15	6.38	5.71	-0.46
Rhode Island	7.05	7.07	7.95	9.07	12.81	28.29
South Carolina	6.12	5.21	6.68	5.58	9.15	7.07
South Dakota	7.91	6.51	7.56	6.31	-4.51	-3.13
Tennessee	6.67	5.26	7.27	5.43	9.09	3.33
Texas	7.66	6.28	7.73	6.30	0.97	0.27
Utah	6.32	5.70	6.26	5.46	-1.06	-4.27
Vermont	6.99	6.35	8.26	7.09	18.18	11.74
Virginia	7.90	5.81	9.35	6.57	18.27	13.21
Washington	8.42	7.38	8.53	7.21	1.37	-2.32
West Virginia	6.97	5.48	6.57	5.38	-5.74	-1.78
Wisconsin	8.00	6.70	8.25	6.68	3.13	-0.27
Wyoming	10.63	8.14	7.55	6.98	-28.96	-14.29

*U.S. GOVERNMENT PRINTING OFFICE:1989-261-420:20033/ERS